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U.S. Craft Spirits Sales Fell 8% in 2025

An industry report said closures exceeded openings for the first time, reflecting weaker demand, tighter distributor access and lower exports.

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U.S. craft spirits sales fell for a third straight year in 2025, with smaller distillers facing weaker demand, lower exports, declining employment and tighter access to distributors, according to new industry data released Tuesday by the American Craft Spirits Association and Park Street.

The two groups said the craft spirits category sold 11.7 million 9-liter cases in 2025, down from 12.7 million in 2024, an 8% drop in volume. Sales value fell 3.7% to $7.3 billion. The figures were presented in Washington as part of the 2026 Craft Spirits Data Project, an annual study based on producer data and other industry sources.

The report said the decline that began in 2023 deepened in 2025 and reduced craft spirits' share of the broader U.S. spirits market. By volume, craft's share fell to 4.2% from 4.5% a year earlier. By value, it slipped to 7.3% from 7.5%.

The number of active craft distillers also moved lower. As of August 2026, the United States had 2,131 active craft distillers, down 6.6% from 2,282 a year earlier, according to the report. ACSA and Park Street said that was the first time closures had outpaced new openings.

Employment in the sector fell sharply. The report counted 21,285 full-time domestic employees in 2025, down 25.6% from 28,628 in 2024. Exports, which many smaller producers have viewed as an area for growth, fell 13.4% to 123,000 9-liter cases.

The data also showed a pullback in spending by distillers. Average investment per producer dropped to $239,800 in 2025 from $288,900 in 2024. Total investment across the category fell to $526 million from $811 million, marking a second consecutive annual decline.

ACSA and Park Street linked much of the pressure to market access. The report said sales outside a distiller's home state slipped to 51% of total craft sales in 2025, down from 54% in 2020, as distributors narrowed their portfolios and worked through excess inventory. The groups also pointed to smaller export markets under tariffs and to the fact that most states still do not allow distillers to ship directly to consumers.

At the same time, direct sales at distilleries continued to play a larger role. Tasting room and on-site sales grew from 14% of craft spirits sales in 2015 to 26% in 2025, meaning more than one out of every four bottles was sold directly to visitors at the distillery, according to the report. That shift suggests many smaller producers are relying more heavily on their own premises as it becomes harder to win shelf space and distributor attention in other channels.

Because the study was produced by a trade association and a drinks logistics and compliance company, its figures reflect an industry-backed view of the market. Still, the report offers one of the most detailed looks at the craft distilling business in the United States and is widely followed inside the beverage industry.

The findings are likely to draw attention beyond spirits. The retreat in sales, jobs and investment points to a tougher route to market for small alcohol producers, a dynamic that could also matter for independent brewers, winemakers and other beverage companies that depend on distributors, tourism and direct consumer relationships to grow.

The Craft Spirits Data Project defines active craft distillers as licensed U.S. spirits producers that remove 750,000 proof gallons or less from bond, market themselves as craft, are not openly controlled by a large supplier and have no proven violation of ACSA’s code of ethics. The 2026 report covers calendar year 2025, with data collected from June through August of this year.

ACSA President Tom Bard and Chief Executive Emily Pennington presented the results at the association’s annual economic briefing. The groups described the downturn in 2025 as the second steeper phase of the correction that started two years earlier.

The report did not suggest a near-term recovery in the figures it released Tuesday. Instead, the data showed a category under pressure across several measures at once: fewer cases sold, weaker dollar sales, lower market share, fewer operating distillers, less hiring, softer exports and reduced capital spending. For a segment that expanded quickly over the past decade, the latest numbers show a broad reset in the business conditions facing small U.S. distilleries.